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DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
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Act 10 – Relating to Public Works
(H.B. No. 1479, H.D. 2, S.D. 1, C.D. 1)
Effective October 1, 2009

Passed by a veto override in the first legislative special session 2009, Act 10 amended Section 104-3, Hawaii Revised Statutes, to require a certified copy of itemized fringe benefits paid to laborers and mechanics working on the site of a public works project in addition to the certified payroll (CP) records and statement of compliance (SOC). The Department of Labor and Industrial Relations (DLIR), in partnership with Department of Accounting and General Services (DAGS), developed a compliant form as required by law. Contractors and subcontractors may use the fringe benefit reporting form included with the SOC or may use any form that meets the fringe benefit reporting requirements.

Implementation Guidelines for Act 10

Act 10, 1st Special Session 2009, requires:

“The fringe benefit reporting form shall itemize the cost of fringe benefits paid by the general contractor or subcontractor for:

- (1) Health and welfare benefits;
- (2) Pension and annuity benefits;
- (3) Vacation benefits;
- (4) Continuing education and training benefits; and
- (5) Other fringe benefit costs paid by the general contractor or subcontractor.”

Only allowable fringe benefits that meet the criteria for the taking of a fringe benefit credit should be reported on the form.

The form developed by the DLIR and DAGS that is compliant with the above specified reporting requirements of the law may be accessed at:

http://hawaii.gov/pwd/Members/ib/forms/index_html

select : [STATEMENT OF COMPLIANCE & DAGS-ECP FOR PAYROLL AFFIDAVITS](#)

Alternatively, contractors may use a form that meets the reporting criteria as set forth by the amendment.

Frequently Asked Questions Regarding DAGS Certified Payroll Forms

Electronic Filing:

1. [Do I need to electronically file the Certified Payroll \(CP\) and Statement of Compliance \(SOC\)?](#)
2. [Where do I electronically file the CP?](#)
3. [As a subcontractor, must I electronically file my CP with the general contractor?](#)
4. [As a subcontractor, must I electronically file my CP directly to the contracting agency?](#)

Forms - Types:

5. [Can I continue to use my own forms?](#)
6. [DAGS said that for their projects, I must use their electronic CP and SOC forms. Is this true?](#)
7. [Why are there two SOC forms, one for Initial and one for Weekly?](#)

Forms - Completing:

8. [If there was non-performance of work during a week, must I submit a CP and SOC anyway?](#)
9. [Who can sign the CP?](#)
10. [On the SOC in the second data entry field near the top of the form, there is a field for "at". What goes in that field?](#)
11. [Do I need to breakdown the tax withholdings & other deductions down to the hour since the heading on the CP states "Hourly Deduction Rate"?](#)

Forms - Fringe Benefits:

12. [Regarding reporting fringe benefits of apprentices, I have been expressing fringe benefit rates in terms of percentages \(e.g. Pension 80%\) rather than providing hourly dollar figures. Can I continue to do this?](#)
13. [I pay employees weekly, but fringe benefits are paid monthly. Which payment date do I show on the CP?](#)
14. [I pay fringe benefits in cash, but the DAGS SOC form no longer has a box for fringe benefits paid in cash. Where do I show the cash fringe benefits?](#)

Forms - Vendor Code:

15. [What is the Vendor Code?](#)
16. [If I am a subcontractor, what do I show in the Vendor Code field of the CP?](#)
17. [If I am the general contractor, but the CP is for a non-DAGS project, do I input a Vendor Code?](#)

1. **Do I need to electronically file the CP and SOC?**
 - a. For DAGS projects, yes. DAGS only accepts electronically-filed CP and SOC. Filing instructions are provided by the project engineer. Subcontractors are expected to submit the CP to the general contractors, and not directly to DAGS.
 - b. For projects funded by a Special Purpose Revenue Bond (SPRB), yes. DLIR only accepts electronically-filed CP.
Email to: dlir.wsd.104@hawaii.gov
 - c. For other contracting agencies, ask the contracting agencies.
2. **Where do I electronically file the CP?**
 - a. For DAGS projects, follow the instructions provided by the project engineer (see answer 1a above).
 - b. For SPRB projects, email the CP to: dlir.wsd.104@hawaii.gov
 - c. For other contracting agencies, ask the contracting agencies.
3. **As a subcontractor, must I electronically file my CP with the general contractor?**

Ask the general contractor. If the general contractor is required to submit all CP (their own and their subcontractors), electronically, expect the answer to be "yes".
4. **As a subcontractor, must I electronically file my CP directly to the contracting agency?**

Ask the general contractor. If the general contractor is not required to submit all CP (their own and their subcontractors) together, electronically, expect the answer to be "yes".
5. **Can I continue to use my own forms?**

Yes, as long as the forms contain all required info. The DAGS CP and SOC are optional forms.
6. **DAGS said that for their projects, I must use their electronic CP and SOC forms. Is this true?**

DAGS will accept the CP and SOC in other formats, as long as the CP and SOC contain all required info.
7. **Why are there two SOC forms, one for Initial and one for Weekly?**

If the SOC is submitted electronically, the first SOC that is submitted must be sent both electronically and with hard copy. Thereafter, the Weekly SOC should be used.
8. **If there was non-performance of work during a week, must I submit a CP and SOC anyway?**

For DAGS projects, yes. Follow their instructions. Note that DAGS only require a CP without an SOC for weeks of non-performance. For other contracting agencies, ask the contracting agencies.
9. **Who can sign the CP?**

A principal of the business, or a designated representative may sign.
10. **On the SOC in the second data entry field near the top of the form, there is a field for "at". What goes in that field?**

The location - city and State, where document is being signed.

11. **Do I need to breakdown the tax withholdings & other deductions down to the hour since the heading on the CP states "Hourly Deduction Rate"?**
No. You may list the total of each deduction in the appropriate field.
12. **Regarding reporting fringe benefits of apprentices, I have been expressing fringe benefit rates in terms of percentages (e.g. Pension 80%) rather than providing hourly dollar figures. Can I continue to do this?**
No. Show the hourly dollar rate of each allowable fringe benefit.
13. **I pay employees weekly, but fringe benefits are paid monthly. Which payment date do I show on the CP?**
Show the date that the basic hourly wages were paid.
14. **I pay fringe benefits in cash, but the DAGS SOC form no longer has a box for fringe benefits paid in cash. Where do I show the cash fringe benefits?**
If a "fringe benefit" was paid in cash directly to an employee, the amount paid would be considered part of the basic hourly rate rather than a fringe benefit. This is why the box no longer appears on the DAGS SOC form.
15. **What is the Vendor Code?**
It is for use on a DAGS project only. DAGS assigns a Vendor Code to each general contractor as an identification code for payments to the general contractor.
16. **If I am a subcontractor, what do I show in the Vendor Code field of the CP?**
Indicate "not applicable".
17. **If I am the general contractor, but the CP is for a non-DAGS project, do I input a Vendor Code?**
It is not necessary, unless the contracting agency requires it.

Acronyms - Quick Reference:

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|------|-----------------------------------------------|
| CP | Certified Payroll |
| DAGS | Department of Accounting and General Services |
| DLIR | Department of Labor and Industrial Relations |
| SOC | Statement of Compliance |
| SPRB | Special Purpose Revenue Bond |